

Message Text

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HONG KONG FOR REGIONAL FINATT

E.O. 11652: N/A
TAGS: EGEN, KS
SUBJ: KOREAN THIRD QUARTER GNP

SUMMARY: ACCORDING TO PRELIMINARY FIGURES, KOREAN GNP GROWTH SHOWED A MODEST DECLINE IN THE THIRD QUARTER OF 1976 COMPARED WITH THE FIRST HALF OF THE YEAR BUT THE INCREASE REMAINED AN IMPRESSIVE 15.7 PERCENT OVER THE THIRD QUARTER OF 1975, GNP GREW 16.5 PERCENT DURING THE FIRST THREE QUARTERS OF 1976 OVER THE SAME PERIOD OF LAST YEAR. IN THE THIRD QUARTER EXPORTS WERE UP BY 39.4 PERCENT TO FOSTER A 27.5 GROWTH IN THE MANUFACTURING SECTOR. BOTH GREW MORE SLOWLY THAN IN THE FIRST HALF OF 1976, HOWEVER, GROSS FIXED INVESTMENT ADVANCED IMPRESSIVELY IN THE THIRD QUARTER END SUMMARY.

1. ACCORDING TO DATA COMPILED BY THE BANK OF KOREA (BOK), KOREAN GNP TOTALED 3,036.57 BILLION WON (IN 1970 PRICES NOT SEASONALLY ADJUSTED) DURING THE FIRST THREE QUARTERS OF 1976, A 16.5 PERCENT INCREASE OVER THE SAME PERIOD OF 1975, SOMEWHAT SLOWER THAN THE 17.4 PERCENT GROWTH ENJOYED IN THE FIRST HALF OF 1976. COMPARED WITH THE SAME PERIOD UNCLASSIFIED

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OF 1975, KOREAN GNP GREW BY 15.7 PERCENT IN THE THIRD QUARTER.

2. DURING THE THIRD QUARTER EXPORT GROWTH DECLINED TO 39.4 PERCENT FROM 52.9 IN THE FIRST HALF OF 1976.
MANUFACTURING ALSO SLOWED IN THE THIRD QUARTER: THE GROWTH

RATE WAS 27.5 PERCENT DOWN FROM THE FIRST HALF RATE OF 29.4 PERCENT. DURING THE FIRST THREE QUARTERS ALL MANUFACTURING SECTORS GREW SIGNIFICANTLY WITH ONLY FOOD AND BEVERAGES AND TRANSPORT EQUIPMENT GROWING SLIGHTLY LESS RAPIDLY THAN IN THE COMPARABLE PERIOD OF 1975. MANUFACTURING OUTPUT WAS EXCEPTIONALLY STRONG IN ELECTRICAL MACHINERY AND EQUIPMENT (INCLUDING ELECTRONICS), LEATHER GOODS, AND MACHINERY, ALL WITH GROWTH RATES ABOVE 45 PERCENT OVER 1975. CONSTRUCTION ESPECIALLY PERFORMED BETTER IN THE THIRD QUARTER THAN IN THE FIRST HALF OF 1976 Owing IN LARGE MEASURE TO A 221.1 (SIC) PERCENT INCREASE IN ELECTRICAL CONSTRUCTION DURING THE QUARTER. ALL CONSTRUCTION ROSE BY 15.5 PERCENT OVER THE THIRD QUARTER OF 1975 WHICH MEANT THAT GROWTH IN CONSTRUCTION WAS UP 5.2 PERCENT FOR 1976 COMPARED TO 1975, AFTER ONLY NEGLIGIBLE GROWTH IN FIRST HALF OF THE YEAR.

3. DESPITE A DECLINE IN FOREIGN SAVINGS, AS A RESULT OF THE NARROWING OF THE TRADE DEFICIT, NATIONAL SAVINGS INCREASED BY 67.3 PERCENT OVER THE FIRST THREE QUARTERS OF 1975 AND STOOD AT 20.2 PERCENT OF GNP. FOR THE SAME PERIOD IN 1975 NATIONAL SAVINGS WERE 14.1 PERCENT OF GNP.

4. LED BY A 88.2 PERCENT INCREASE IN INVESTMENT IN MACHINERY AND EQUIPMENT IN THE THIRD QUARTER, INVESTMENT REBOUNDED IN THE THIRD QUARTER AFTER A SLOW FIRST HALF TO ACHIEVE A 5.3 PERCENT INCREASE IN 1976 OVER THE FIRST THREE QUARTERS OF 1975. CONSUMPTION, LED BY AN INCREASE IN THE GOVERNMENT SECTOR, ROSE BY 9 PERCENT IN THE THIRD QUARTER TO STAND AT 8.2 PERCENT HIGHER THAN CONSUMPTION UNCLASSIFIED

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IN THE INITIAL THREE QUARTERS OF 1975.
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Disposition Event:
Disposition History: n/a
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